

ANNUAL REPORT
TO STOCKHOLDERS
DECEMBER 31, 1948

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V. J. ELMORE

5c, 10c & \$1.00 STORES, INC.



Birmingham, Alabama

ANNUAL REPORT

TO STOCKHOLDERS

DECEMBER 31, 1948

V. J. ELMORE

25000 & 2100 STORES, INC.

Birmingham, Alabama

Report of

MRS. V. J. ELMORE

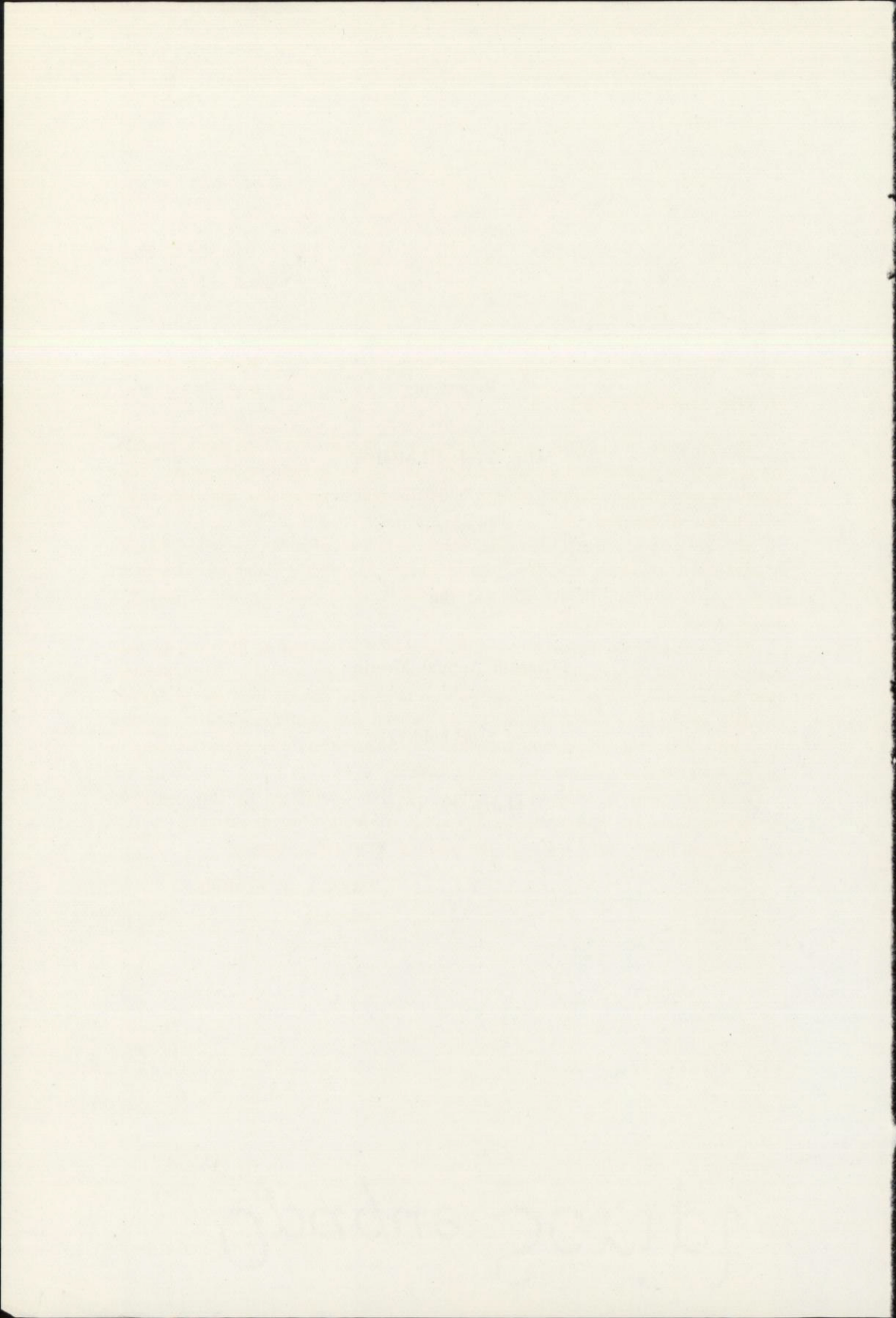
President

at the

Fifteenth Annual Meeting

of Stockholders

March 22, 1949



March 22, 1949

TO THE STOCKHOLDERS:

The Statement of Condition of your Company at December 31, 1948, and a comparative summary of earnings and expenses in 1948 and 1947 are included in this report. These figures are presented in a manner which it is believed will be informative and easily understood by the shareholders.

Sales for the year reflect a substantial increase over 1947 sales. Net profits are regarded as satisfactory. Dividends have been paid in amount to permit a reasonable retention of funds so as to provide sufficient funds for carrying increased inventories and to provide a margin in case of any reverses.

During the year the number of stores in operation was increased to fifty-two, an additional unit having been opened at Moulton, Alabama. One unit located at North Birmingham, Alabama, has been temporarily discontinued because of damage from fire on January 30, 1949, subsequent to compilation of this report. This store should again be in operation at an early date. The Birmingham Warehouse has been enlarged by addition of space to provide more adequate packing and shipping facilities.

I wish to thank the Directors and Officers for their counsel and the entire personnel for their attention and efforts resulting in another satisfactory year of operation.

With best wishes to each of you, this report is respectfully submitted.

MRS. V. J. ELMORE,
President.

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ERNST & ERNST
ACCOUNTANTS' REPORT

Board of Directors

V. J. Elmore 5c, 10c and \$1.00 Stores, Inc.
Birmingham, Alabama.

We have examined the balance sheet of V. J. Elmore 5c, 10c and \$1.00 Stores, Inc., as of December 31, 1948, and the related statements of profit and loss and surplus for the year then ended. Our examination, except that we did not have representatives present at the time physical inventories were taken at the fifty-two retail stores operated by the Company, was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Merchandise inventories on hand at the retail stores and at the warehouse are based upon physical counts which were made under supervision of the management from December 31, 1948, to January 26, 1949, and were adjusted for intervening transactions to December 31, 1948. The store inventories are priced at cost as determined by the retail inventory method, and the warehouse inventory is priced at the lower of cost or market as determined by the first-in, first-out method of inventory valuation. We were present at the warehouse at appropriate times during the taking of inventories, observed the procedures followed in determining quantities, and made test counts of items appearing in the inventories. We also reviewed the application of the retail inventory method and related computations, and tested the pricing, extensions, and the footings of the inventories.

In our opinion, subject to the limitation of the scope of our examination with respect to inventories as set forth in the first paragraph of this report, the accompanying balance sheet and statements of profit and loss and surplus present fairly the financial position of V. J. Elmore 5c, 10c and \$1.00 Stores, Inc., at December 31, 1948, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST.

Birmingham, Alabama
March 5, 1949

BALANCE
V. J. ELMORE 5c, 10c

DECEMBER

ASSETS

CURRENT ASSETS

Cash:			
Demand deposits	\$	575,233.01	
Cash for deposit		11,310.28	
Office and store funds		12,940.00	\$ 599,483.29
Merchandise inventories:			
At stores—at cost as determined by the retail inventory method	\$	569,649.47	
In warehouse—at lower cost of market		330,740.97	
In transit—at cost		8,113.36	908,503.80
TOTAL CURRENT ASSETS			\$1,507,987.09

INVESTMENTS AND OTHER ASSETS

United States Treasury Bonds of 1951-53 held in escrow—at cost and interest accrued	\$	51,697.92	
Investment in other security—at cost and interest accrued		1,033.00	
Cash surrender value of life insurance		3,053.00	
Advances to employees		1,825.94	
Miscellaneous accounts receivable		870.98	58,480.84

LAND, BUILDINGS, AND EQUIPMENT—at cost

Land	\$	18,000.00	
Office and warehouse building	\$	158,388.64	
Fixtures and equipment		320,736.38	
Automobiles and trucks		31,879.88	
	\$	511,004.90	
Less allowance for depreciation		229,523.78	281,481.12
Improvements to leaseholds	\$	96,316.98	
Less allowance for amortization		61,711.94	34,605.04
			334,086.16

DEFERRED CHARGES

Unexpired insurance premiums	\$	11,022.80	
Warehouse inventory of store supplies		3,990.31	15,013.11
			<u>\$1,915,567.20</u>

E SHEET

AND \$1.00 STORES, INC.

ER 31, 1948

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued expenses:			
Trade accounts	\$	69,707.98	
Salaries and bonuses		32,917.26	
Pay roll taxes and taxes withheld from employees		38,346.13	
Sales and retailers excise tax		39,896.88	\$ 180,868.25
Federal and state taxes on income—estimated	\$	238,750.00	
Less United States Treasury Notes—Tax Series "C" and "D" at cost plus interest accrued		231,666.00	7,084.00
TOTAL CURRENT LIABILITIES			\$ 187,952.25

CAPITAL STOCK AND SURPLUS

Capital stock:

First preferred stock, par value \$100.00 a share (entitled to \$100.00 a share, plus accumulated dividends upon liquidation):

Authorized 4,000 shares, issued and outstanding:

837 shares of 7% cumulative	\$	83,700.00	
1552 $\frac{1}{4}$ shares of 5% cumulative	155,225.00	\$	238,925.00

Common stock, Class "B"—no par value, stated value \$16 $\frac{2}{3}$ a share, dividends of \$1.00 per annum cumulative, preferred over other common stock only as to dividends: Authorized, issued and outstanding 6,000 shares

100,000.00

Common stock, Class "A"—no par value, stated value \$16 $\frac{2}{3}$ a share, 2,500 shares authorized, 342 $\frac{1}{4}$ shares restricted for issue upon exercise of Class "A" Warrants (Note A); issued and outstanding 2,141 shares

35,683.33

\$ 374,608.33

Surplus:

Capital surplus	\$	13,243.00	
Earned surplus	1,339,763.62	1,353,006.62	1,727,614.95
			<u>\$1,915,567.20</u>

See Note to Balance Sheet.

NOTE TO BALANCE SHEET

V. J. ELMORE 5c, 10c AND \$1.00 STORES, INC.

December 31, 1948

Note A—At December 31, 1948, there were 1,000 Class "A" warrants authorized to be sold as part of units with first preferred stock and thereafter to be exercised in the purchase of Class "A" common stock. Class "A" warrants issued in units with 7% first preferred stock are to be exercised in the purchase of Class "A" common stock for \$100.00 per share; Class "A" warrants issued in units with 5% preferred stock are to be exercised in the purchase of Class "A" common stock for \$25.00 per share. 657 $\frac{3}{4}$ warrants have been issued and exercised in the purchase of Class "A" common stock. On August 29, 1942, the Board of Directors authorized a bonus to certain of the Company's employees payable in 5% first preferred stock. 487 $\frac{1}{4}$ shares of this stock with a total par value of \$48,725.00 was issued, but the Class "A" warrants which the Articles of Incorporation provide must be issued with each share of preferred stock were not issued, and to date no action has been taken pertaining to the issuance of these warrants.

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CONDENSED PROFIT AND LOSS STATEMENT

V. J. ELMORE 5c, 10c AND \$1.00 STORES, INC.

Years ended December 31, 1948, and December 31, 1947

	Year	
	1948	1947
Net sales	\$5,357,138.13	\$4,495,263.45
Cost of goods sold	3,448,181.24	2,847,300.68
	\$1,908,956.89	\$1,647,962.77
Selling and administrative expenses	1,391,450.36	1,220,286.03
	\$ 517,506.53	\$ 427,676.74
Other income	89,686.32	45,949.54
	\$607,192.85	\$ 473,626.28
Other deductions	751.26	574.73
PROFIT BEFORE TAXES ON INCOME	\$ 606,441.59	\$ 473,071.55
Taxes on income:		
Provision for the year—estimated:		
Federal normal income tax and surtax	\$ 227,000.00	\$ 175,500.00
State income taxes	11,750.00	7,700.00
Under provision for prior year	303.61	1,425.80
TOTAL TAXES ON INCOME	\$ 239,053.61	\$ 184,625.80
NET PROFIT	\$ 367,387.98	\$ 288,445.75
Deduct adjustments applicable to prior years due to Revenue Agents' Reports—net	368.57	29,991.58
BALANCE TRANSFERRED TO SURPLUS	\$ 367,019.41	\$ 258,454.17
Provision for depreciation and amortization on buildings and equipment included above:		
1948—\$51,586.24; 1947—\$51,684.70.		

STATEMENT OF SURPLUS

	Capital	Earned	Total
Balance at January 1, 1948	\$ 12,263.33	\$1,113,594.47	\$1,125,858.30
ADDITIONS			
Balance transferred from profit and loss	— o —	367,019.41	367,019.41
Proceeds from sale of stock in excess of stated value thereof	979.17	— o —	979.17
	\$ 13,243.00	\$1,480,613.88	\$1,493,856.88
DEDUCTION			
Dividends paid	— o —	140,850.26	140,850.26
BALANCE AT DECEMBER 31, 1948	\$ 13,243.00	\$1,339,763.62	\$1,353,006.62

OFFICERS

MRS. V. J. ELMORE

President

W. F. RAINER

Assistant to the President

W. I. SMITH

Vice-Pres. and Merchandise Manager

JOHN W. POWERS, JR.

Vice-Pres., Real Estate

W. A. WILLIS, JR.

Secretary and Treasurer

G. F. PARR

Vice-Pres., Budgeting

C. O. HESTER

Assistant Secretary and Buyer

DIRECTORS

MRS. V. J. ELMORE

President

Birmingham, Alabama

W. I. SMITH

Vice-Pres. and Merchandise Manager

Birmingham, Alabama

F. J. CALLEN

Pres., People's Savings Bank

Clanton, Alabama

G. F. PARR

Vice-Pres., Budgeting

Birmingham, Alabama

JOHN W. POWERS, JR.

Vice-Pres., Real Estate

Birmingham, Alabama

W. A. WILLIS, JR.

Secretary and Treasurer

Birmingham, Alabama

GRADY REYNOLDS

Reynolds & Reynolds, Attys.

Clanton, Alabama

W. F. RAINER

Assistant to the President

Birmingham, Alabama

V. J. ELMORE 5c, 10c AND \$1.00 STORES, INC.

Executive and Buying Offices
and Warehouse
10 South Fourteenth Street
Birmingham 5, Alabama

STORES

Abbeville, Alabama	Greenville, Alabama
Aberdeen, Mississippi	Guntersville, Alabama
Alabama City, Alabama	Haleyville, Alabama
Albertville, Alabama	Hartselle, Alabama
Alexander City, Alabama	Homewood, Alabama
Amory, Mississippi	Iuka, Mississippi
Andalusia, Alabama	Jasper, Alabama
Athens, Alabama	Marion, Alabama
Atmore, Alabama	Monroeville, Alabama
Attalla, Alabama	Moulton, Alabama
Bay Minette, Alabama	North Birmingham, Alabama
Boaz, Alabama	Oneonta, Alabama
Brewton, Alabama	Opp, Alabama
Brundidge, Alabama	Ozark, Alabama
Carbon Hill, Alabama	Prattville, Alabama
Clanton, Alabama	Russellville, Alabama
Clayton, Alabama	Samson, Alabama
Decatur, Alabama	Scottsboro, Alabama
Demopolis, Alabama	Sylacauga, Alabama
Eufaula, Alabama	Talladega, Alabama
Eutaw, Alabama	Tallassee, Alabama
Evergreen, Alabama	Troy, Alabama
Fairfield, Alabama	Tuscumbia, Alabama
Fayette, Alabama	Tuskegee Alabama
Fort Payne, Alabama	Union Springs, Alabama
Greensboro, Alabama	Wetumpka, Alabama

